AN EVALUATION OF RETAIL SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION IN HYPERMARKETS IN KENYA: A CRITICAL ASSESSMENT OF NAKUMATT, UCHUMI, TUSKYS.

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1.1 Introduction

Introducing a massive potential consumer market,Africa is home to more than one billion people. The UN forecasts revealed that the continent's population will surpass the 1.5 billion mark by 2030 because it is growing swiftly.With vast differences across countries some countries of North Africa for example are far more developed than sub-Saharan Africa, while the retail market opportunities in Kenya will be very much different from that in South Africa due to differences in consumer tastes, culture, income, and demographics.Besides this the size and concentration of the urban consumer market is growing and multiplying ,the Kenyan market becomes one of the most tempting countries to invest in retail. The region has already seen a lot of South African retail giants entering and establishing their footprints in neighbouring countries like Uganda and Tanzania. As competition is gearing up, it is an alarm to the Kenyan retailers to get up and get going and start working towards saving their turfs.Hypermarkets in Kenya don't earn a very long history. Besides the fact, they have tried to establish themselves to a much greater extent. But this is not the end, but the beginning of the war. As the Kenyan market is luring because of the availability of site location, numerous domestic and International players are keeping an eye and close watch to attack as soon as they get an opportunity.. Derived from the problem discussion, the purpose is presented. Further, a brief presentation of research methodology is given, which then cites the limitation of the research's scope to Nairobi, Kenya, and finally ends with the organization of thesis.

The Kenyan hypermarket sector is composed of four main domestic retail chains: Uchumi, Nakumatt, Tusker Mattresses, and the Ukwala Group. There are two foreign-owned chains, Metro Cash & Carry and Woolworths. Although this is the case, the market concentration has kept on increasing and several independents hypermarkets have also come up. Nairobi, with a population of 2.5 million has many supermarket and hypermarket chains due the growing trend of self service and because of the touch and feel nature of Kenyan customers. Urban centers opportunities have also driven investment to spread over into other major cities and towns such as Mombasa, Nakuru, Eldoret, and Kisumu.

The research focuses on the case of Kenya, with special emphasis on the three major hypermarket giants: Nakumatt, Uchumi and Tuskys.

1.2 Research Objectives

According to the Kenya Economic Survey 2012 the retail and wholesale sector grew by 19 per cent in the past five years becoming the second largest driver of economic growth after

transport and communication. With increasing globalization, local retailers find themselves having to compete with large foreign players by targeting niche markets. To excel and flaunt as a market leader in an ultramodern era and a globalize world, the organizations must strive to harvest from its marketing strategies, benchmarking and company quality policy.
Supermarkets and hypermarkets are striving hard to grow their market share and penetration as they become the most favorable shopping outlet for many middle and high-income consumers in towns Hypermarkets and shopping malls not only provide for more than 30 per cent of the retail needs, but they are also redefining skylines in towns like Nakuru, Eldoret, Kisii and Kakamega. (Business daily, 2012)

The competition, which is highest in the fresh produce and vegetables supplies, pits three major Hypermarket chains, Nakumatt, Uchumi and Tuskys and several medium-sized supermarket chains and hundreds of independent outlets and convenience stores. In this research the main issues on which I'm throwing light on are service quality and customer satisfaction using the RSQS model in these three major hypermarkets context.

I am interested in the dimensions of service quality from the consumer's perspective through assessing their expectations and perceptions of service quality. Further addressing this issue, **with great expansion of hypermarkets in Kenya, witnessed by divided loyalty, it is important to find out why consumers divide their purchases across different hypermarkets that apparently stock similar goods.** I will therefore like to answer the following questions in our study;

Q1. To assess customers perception of service quality of the three hypermarkets along each of the five dimensions of Retail Service Quality Model (RSQS).

Q2. To examine the expectations and perceptions of customers regarding service quality, and identify the GAPs in service Quality dimensions

Q3. Compare the SERVQUAL scores and make a comparative analysis of the GAPS in service quality for the three hypermarkets.

Q4. To analyse relationship between Demographics and customer satisfaction.

Q5. To assess the effect of Prices perceived by the customer and satisfaction among the three hypermarkets

Q6. To analyze the effect of Retail Service quality dimensions on Customer satisfaction of the three hypermarkets

2.1 REVIEW OF LITERARURE

A lot of studies picked up in the study have shown different aspects of Service Quality and its effect on Customer satisfaction. Some authors have supported the view that Service quality is an antecedent of Customer satisfaction while some authors have linked customer satisfaction to other factors. A summary of all the studies is shown in following table

Table: Replication studies on RSQS Model

Study and Author	Year of Publication	Objectives	Methodology	Gaps Addressed/Outcomes
An Evaluation of the retail Service Quality Scale for US and Korean Customers of Discount stores Kim,S and Jin,B.	2001	Test applicability in culturally different countries, US and Korea	Factor Analysis Physical aspects, Reliability and Personal attention were identified in both US and Korea Policy dimension was dropped	US most preferred dimension-Personnel Interaction Korean -Tangibility
An Evaluation Of The Customer Service In Hypermarkets In Pretoria East, South Africa, Marx. J And Eramus.C	2006	To evaluate the Customer satisfaction in South African hypermarkets in the eastern suburbs of Tshwane.	Crossectional design with Focus group Interviews Questionnnaires were distributed to 386 respondents	Important customer service attributes to be place-related (parking area; parking bays; location of the store ,practical shelf layout; product-related product variety; availability of new products); Intolerable attributes: personnel/process-related (rude or untrained staff); product-related (unavailability of products); and other reasons: (dirty trolleys

Measuring Retail Service Quality: Examining Applicability of International Research perspectives in India Kaul ,S	2007	Assess the applicability of RSQS in Indian Settings	Confirmatory factor analysis of the component structures using AMOS 4.0	RSQS criticized , not applicable in Indian settings, wordings generalized in statements, lack of specificity
Determinants Of Retail Service Quality - A Study Of Hypermarkets In Vietnam: Nhat D & Le Nguyen Hau	2007	Identify the components of Retail Service Quality	Survey-440 respondents In depth interviews, 28 items of RSQS were examined	Identified Components - Service personnel, physical aspect, policy, and reliability All components had a positive impact on SQ except Reliability, the relation could not be found out.
Preference Of Consumers Towards Hypermarkets With Special Focus On Big Bazaar In Ahmedabad City. Patel.P Shah.P&Shah.C	2008	Find out the factors affecting consumers choice of Hypermarket	Step out sampling method: questionnaires to 400 respondents	Organized retail format selection criteria: Selection of outlet, then product category followed by display brand
Fighting Off The Big Guys: Comparing Competitive Retail Services Strategies In Industrialized And Developing World Settings, Boshoff C &Klemz. R	2008	Using the SERVQUAL model address the differences between industrialized world retailers and developing world retailers on service quality dimensions	Two sets of hypothesis formulated.	Empathy used by small, retailers Assurance used by large retailers
Comparison Of Service Quality Gaps Among Teachers And Students As Internal And External Customers, Rahim Mosahab.R& Osman, T. Ramayah	2010	Compare the quality gap of educational services	Two distinct groups of respondents, 230 teachers and 384 students	The largest mean quality gap: responsiveness and tangibility dimensions. The smallest in the responsiveness. The findings show a need for implementation Of IM.
Measuring Retail Service Quality In Sport Stores By Using RSQS Model, Authors: Xiao.J&Chernetskaya.J	2010	Analyze RSQS dimensions in sports store and measure overall service quality and effect of demographics	300 shoppers in survey	Ages: 31-40 least satisfied with the restrooms and fitting rooms. Above 31-40 years old expect better quality products. Younger less satisfied with the employees' knowledge .major

				gap found
Service Quality Perspectives And Customer Satisfaction In Commercial Banks Working In Jordan, Mohammad.A& Mohammad Yaseen.S	2011	SERVQUAL used to assess the service quality of Commercial banks and its effect on Customer Satisfaction.	Random sampling and 260 questionnaires distributed. Multiple regression analysis employeed	All the dimensions had a moderate correlation except Tangibles had a very low correlation with customer satisfaction.
The Relationship Between Customer Satisfaction And Service Quality: A Study Of Three Service Sectors In Umeå, Agbor.J	2011	Relationship between Service Quality and Customer satisfcation.	Convenience sampling employed and SERVQUAL model was used.	service quality is not the only factors that could lead to customer satisfaction in service sectors; Varies in the different service sectors.
Customer Perception On Service Quality In "Connexions" – A Retail Shopping Mall At Salem District In Tamilnadu – An Empirical Study S. Vijay & Dr. M. Selvaraj Professor And	2012	Relationship between demographic variables and Customer satisfaction.	Primary data with 30 questionnaires using RSQS scale was collected. Percentage analysis and Chi-square were used for analyzing data.	Nosignificant relationship between the demographic and Customer satisfaction. Only variety of goods available has an impact on Customer satisfaction.
Measuring Service Quality In Retail Banking Sector In Context Of Gujrat. Dr.Patel.R	2012	Measurement of service, Segmentation of customers about high end and low end quality factors and identifies the relation between both	RSQS scale Survey method used . Chi square analysis to examine the relationship between two segments of customers	Reliability dimension has the highest shortfall and Assurance the lowest. Type of account is significant in profiling the customer
Marketing" Retail Service Quality With Respect To Supermarket In Mysore City Kumar.G ,Shivashankar K.C & Dr.Manjunath.J	2013	To measure the Effect of Retail service quality In MORE stores of Mysore	Primary data collected through random sampling from 200 respondents .SPSS statistical tool was employed	All five service dimensions have a positive impact on Satisfaction.
Customers' Expectations And Perceptions Of Service Quality: The Case Of Pick N Pay Hypermarket Stores In Pietermaritzburg Area, South Africa Dr.Agabu M &Mcwabe.T	2013	To measure the gap between expectation and perceptions in Pick n Pay	Convenient Sampling with 130 questionnaires was conducted. Mean Gap scores were	The gap identified was Gap 5: Expected Service-Perceived Service Gap. Customer's expectations are very high on reliability

		food retail stores in South Africa	compared	from an excellent supermarket.
Impact Of Service Quality On Customer Satisfaction: A Study On Customers Of Commercial Bank Of Ceylon Plc Trincomalee District Na Navaratnaseelan.J&Elangkumaran.P	2014	To study the impact of Service Quality on Customer satisfaction	Structured questionnaires were used. Pearsons coefficient was determined	There is a positive correlation and significant impact of Service quality on Customer satisfaction

Source: As per study

2.2 RESEARCH GAPS ADDRESSED

After carefully reviewing various research studies conducted so far using the RSQS model, It was realized that though quite many research studies have been carried in different service industries such as banking, health care, education and even a lot in retail settings but not enough empirical study has been conducted using the RSQS model to assess retail service quality in hypermarket stores which are a crucial part of Retail environment. Concerning the mentioned before fact that SERVQUAL model is not very applicable in the retail setting , the RSQS model (Dabholkaret,al,2006), since it was developed was not enough tested on different retail environment and only a few studies are found about applying RSQS to evaluate retail service quality in hypermarkets from around different corners of the world. Considering the geographical aspects of measuring the retail service quality in hypermarkets the RSQS was not in-depth measured on the east African Kenyan market. It has been proved in similar studies that RSQS cannot be generalised in all retail settings across different retail formats nor countries with diverse cultural backgrounds (Kaul2007: Kim and Jin2014). Kenyan environment is different on culture and other factors which makes it imperative to test the validity of RSQS scale in Kenya. Only a handful of studies have been conducted in the Kenyan context (Kimani2012). Especially in the hypermarket formats. While hypermarkets of the EU and the US have been studied with the Retail Life Cycle model, no comparable work has yet been done on the hypermarket industry in Kenya. Research of hypermarkets in Kenya will be a very worthwhile undertaking. It is not often noticed that the hypermarket witnessed a long history in Kenya. Hypermarket concept was first conceived by Uchumi in Kenya and then Nakumatt and others followed.

Therefore it becomes imperative to study the applicability of RSQS instrument across Kenyan Hypermarkets. Moreover, it was proven from this studies that perceived service

quality had a positive relationship with customer satisfaction and this supports the argument of linking service quality and customer satisfaction. So the thought to apply the RSQS model for evaluating retail service quality on Kenyan market would be a contribution to existing research on diverse retail formats context. This is the research gap and in order to fill the gap, the study tries to measure overall retail service quality and customer satisfaction using the RSQS model from the consumer's perspective by measuring their perceptions of all RSQS dimensions and comparing them with the expected level of retail service quality on the example of three major hypermarkets in Kenya, East Africa.

3.1 RESEARCH METHODOLOGY

A self-completion questionnaire was developed fromthe RSQS scale and distributed using a convenience sampling technique to customers visiting the three hypermarkets which determined their perceptions of servicequality in these stores.

A sample size of 400 respondents was selected for this study keeping in mind the parameters of the research study. A comparison can be drawn and justifiable in case of three hypermarkets with this sample size.

The study has resorted to the Mall intercept technique. All the three hypermarkets were situated in the well-known malls in Nairobi. Moreover, it was convenient for collecting data because Kenyan people are very polite and supportive in giving information and any doubts could be cleared on the spot.

- Secondly the researcher made use of Snowball sampling by circulating questionnaires to some of my acquaintances and further contacted those references to get the questionnaires filled from the references who go for shopping at these hypermarkets. This way it was sure that the data collected was authentic and reliable.

Data Collection was carried through primary and secondary sources both.

3.2 Reliability and validity

The internal consistency of the RSQS items was assessed by computing the total reliability scale. The total reliability scale for the study computed is 0.94, indicating an overall reliability factor slightly higher to that of Parasuraman et al., (1988) study which was 0.92. The reliability value for the study is very high considering the fact that the highest reliability that can be obtained is 1.0 and this is an indication that the items of the six dimensions of SERVQUAL model are accepted for analysis.

4.1 ANALYSIS AND INTERPRETATION

The relevant data collected from conducted surveys according to the chosen methodologies is presented and analysed with Microsoft EXCEL in line with the theories in use.

The analysis is obtained in the following ways. Firstly, a detailed comparison is drawn on perception scores of the three hypermarkets on the RSQS sub- dimensions. After that the overall perception score is compared for all the five dimensions among the three hypermarkets.

Secondly, the expectations and perceptions of the customers of the three hypermarkets and their Gap scores are discussed on a one –to- one basis separately.

Furthermore the overall mean perception scores for all the RSQS dimensions and overall mean gap scores are calculated for further interpretations. These results are then used to examine the evidence about how consumers perceive service quality in retail stores and try to identify which dimensions and more specifically sub-dimensions of RSQS they are satisfied or not-satisfied with.

After that, a comparison is carried out on opinion data of customers regarding overall customer satisfaction, Prices, advertising effectiveness and awareness of online shopping.

In the next phase, Statistical tests are carried out between between prices and customer satisfaction of the three hypermarkets.

Finally, statistical tests are worked out to find out the relationship and influence of RSQS dimensions on customer satisfaction for all the three hypermarkets.

5.1 CONCLUSIONS

The study explored and evaluated the customer satisfaction level of the three hypermarkets and Overall satisfaction in retail in Nairobi, Kenya.

Customers Perception of Service Quality dimensions

Customers Perceptions of overall service quality for Nakumatt Hypermarket is highest among all the three hypermarkets. Physical Aspects of Nakumatt is highest and customers feel that the hypermarket has one of the best and most attractive and modern looking interiors, comfortable fitting rooms and they feel easy to move around in the store. It is the only Hypermarket that has its own Magazine “SMARTLIFE”and customers really enjoy reading it.

The only dimension on which the customer’s perception was low for Nakumatt was Policy. This is low perceived only because of Nakumatt’s online shopping. Majority of the customers are unaware that Nakumatt has a policy of Online shopping. It is very ironical that though all the three supermarkets offer online shopping still majority of customers are not

aware of such a service. Except a countable few customers who knew a little about Nakumatts online shopping.

This is a signal to the retailer to introduce marketing strategies to make the customer aware of it.

Tuskys hypermarket stands second on customer's perception of service quality dimensions .Reliability is perceived highest and Policy the lowest. Customers feel that Tuskys hypermarket always offers services as promised and even sales and records are error free. Regarding the policy dimension, customers perceive the availability of Parking space very low. Another sub dimension is unawareness of online shopping. Some customers were not even willing to assess this sub dimension.

For Uchumi, the perception is lowest on Physical dimensions and Policy. Customers have been constantly complaining about that Uchumi's stores are a little dingy and old –looking. They don't have proper restrooms which is always a low on customer's perception. Again on Policy dimension, the hypermarket needs to make the customer aware about online shopping. Contrary to low perception for policy, customer's perception was very high regarding the loyalty cards offered. Customers perceive Nakumatts and Uchumi's loyalty card schemes very high.

When making a comparison on perception for all the RSQS dimensions between the three hypermarkets Nakumatt emerges as a leader among the three. Second is Tuskys followed by Uchumi.

The overall average perception score for the hypermarkets for all the dimensions is (3.58) which is low. If perceived service quality is low it can lead to customer dissatisfaction if not worked on the right time and means the hypermarkets need to continuously work towards bringing the perceptions close to expectations

Gap Scores Analysis for the three hypermarkets

The findings indicate that for Nakumatt the least gap score was for dimension Physical dimension. Though Customers are satisfied with the availability of merchandise, convenient parking, and convenient working hours. "Nakumatt UKAY' a 24/7 store by Nakumatt has won accolades from its customers.Policy dimension has the maximum gap as compared to all other dimensions.Majority of customers were unaware of online shopping and that is why the Gap score for policy dimension is big.

For Uchumi, the least gap score was for Reliability, followed by Personal interaction and highest for Physical aspects and Policy .Though all the gap scores are more than 1, which

means customers are not satisfied with service quality offered by Uchumi.The hypermarket needs to improve on all the dimensions to lessen the gap.

The gap scores for all the Service quality dimensions of Tuskys are above 1 , which means customer are not satisfied and Tuskys service quality is low. Moreover, the Policy dimension has a big gap (-2.03), which shows very poor quality regarding policy of the hypermarket. Customers are complaining about parking spaces, which is a big reason for shopping at a particular hypermarket.

Overall mean gap scores of all RSQS dimensions for the hypermarkets.

The mean gap scores for all the service quality dimensions is above 1.Overall Reliability has a gap score of (-1.28) and Overall Policy has a gap score of (-1.63). Moreover the Overall Mean Gap score for hypermarkets is more than 1(-1.42), which means the overall service quality provided by hypermarkets in Kenya is very low.

Comparison on Prices

From the results it's evident that Nakumatts Prices are perceived to be the highest, Uchumi prices are perceived as moderate and the Tuskys prices the lowest.

It has been further proved through regression analysis that prices have no influence on customer satisfaction at Nakumatt. On the other hand in case of Uchumi and Tuskys variations in price is an influencer on Customer satisfaction.

Comparison on Advertising Effectiveness

Majority of Customers feel that Nakumatts Advertising is very satisfactory. Especially the blue color and its logo and Punchline "You need it and We've got it" is very catchy. Whereas for Uchumi majority were unsatisfied by its advertising. Most of the customers claim that Uchumi doesn't advertise much through hoardings, which is very important to position in the minds of the customer. For Tuskys an equal number of customers thought satisfactory, while others were not at all satisfied.

Comparison on Awareness of Online shopping

When customers were asked their opinion on online shopping only 16% were very satisfied with Nakumatt , 3% for Uchumi and 4% for tuskys. This statistics shows a very low number on satisfaction. This was ironical because all the three hypermarkets have online shopping facility but have not been able to convey the customer about the same. This is the biggest loophole in the policy of all the three hypermarkets.

Relationship of Demographics and Customer satisfaction of Nakumatt, Uchumi and Tuskys

From the statistical tests carried out, it was seen that Occupation and Marital status of respondents had an impact on Customer satisfaction of Nakumatt. Only Vm (the marital status) and Vo (occupation of respondents has a significant relationship on customer satisfaction of Nakumatt stores. This implies that because majority (43.5%) of customers, being business professionals, Nakumatt can devise marketing strategies for this profile of people like home delivery for loyal customers to save their time. Similarly majority of the customers are married (65%), so Nakumatt can introduce coffee corners and children play areas in its premises so that customer is satisfied and delighted.

Whereas in case of Uchumi and Tuskys , demographics have no influence on Customer satisfaction.

Relationship of Retail service quality dimensions on Customer satisfaction of Nakumatt ,Uchumi and Tuskys.

From hypothesis testing, it has been proved that all the five RSQS dimensions had an impact on Customer satisfaction for Nakumatt, Uchumi and Tuskys. Personal Interaction has the highest influence (93%) on Customer satisfaction of Nakumatt. With 30% variation Physical aspects also can be an influencing effect on Customer satisfaction of Nakumatt. Policy, Reliability and Problem solving also have very minimal but effect on Customer satisfaction.

In case of Uchumi, all RSQS dimensions had an impact except for Problem solving. Again 45% variations in Customer satisfaction in Uchumi is due to Personnel Interaction. Though Customers feel that Uchumi's employees do not pay individual attention and so their perception is very low in this regard. All other dimensions had very little impact on Customer satisfaction. On the other hand, Problem solving has no effect on Customer satisfaction of Uchumi.

For Tuskys, all the service quality dimensions had a relationship with Customer satisfaction but the strength of their relationship for all dimensions was small (less than 10%).

Summarily , it can be witnessed that RSQS instrument is applicable in the Kenyan Retail Environment and can be successfully be applied in the Hypermarkets context. In hierarchal order Nakumatt hypermarket stands first on Customers perceptions and providing good service quality and customers are satisfied with the Hypermarket. Second is Tuskys on the customers satisfaction list and Uchumi is last.

But when generalizing the whole Hypermarket industry , the customer satisfaction is very low ,implying that the industry needs to gear up in these dynamic times of changing Consumers and their never ending Expectations.

5.2 RECOMMENDATIONS

Recommendations for NAKUMATT

Though Nakumatt has emerged as a leader among all the hypermarkets, but there is still room for improvement

- As the area of hypermarkets usually big, it can place small coffee corners for customers to grab a coffee and can enhance their shopping experience. As it has been proven that Occupation of the respondent and Marital status have an impact on Customer Satisfaction , so Nakumatt can introduce "Home delivery" for the Professionals and Children area for people with kids.
- "Take Away food" corners can also be introduced so that customers don't have to step out and rush for their meals during shopping.

Secondly, to make its presence felt more and revolutionise the formal retail sector "Mobile Nakumatt Vans" could be a great breakthrough. These will act as billboards and in turn will serve as a kiosk for daily needs.

Recommendations for UCHUMI

- Uchumi needs to rework on its physical aspects because customers perception is very low. It can incorporate small changes like effective and bright lights to make the area more appealing. The restrooms should be maintained in a proper way.
- Uchumi needs to implement an Internal Marketing programme for its employees, because the customers are always complaining on the behaviour of its employees.
- Hierarchy should be minimised so that employees can handle customer's complaints directly in most cases and be able to give a solution.
- Uchumi is very well known for its bakeries and fresh vegetables, so it can open small mobile kiosks in which it can stock bakery items and vegetables that can help it advertise and make its presence felt in the market.
- The hypermarket needs to work hard to promote its online shopping facility and other special services being offered to its clients

Recommendations for TUSKYS

- First and foremost Tuskys need an overhaul of its interiors. Customer are usually complaining of old looking equipment and feel that tuskys look doesn't change and has become monotonous.
- Tuskys need to construct neat and clean restrooms for most of its hypermarkets. Customers were constantly complaining about this and it's becoming an alarming issue.

- Also, sometimes the employees are not seen in their uniforms which becomes baffling for the customer to approach for its queries. So, they should be under strict vigilance to maintain uniformity.
- Tuskys should also conduct Employee training programmes and Motivate and reward their employees for good behaviour. They should be given product trainings to get a better understanding on their products so that they can handle queries immediately.
- Tuskys "T-Mall" is a very well-known and preferred destination for Kenyan consumers because it has a "take away food" corner. It can incorporate these corners in other branches also.

Recommendations in General for Hypermarkets in Kenya

- Two very important areas that need improvement are Advertising and awareness of online shopping. As the journey from retail is going fast towards "E-tail" retailers should ensure that they also be proactive in making changes. The hypermarkets should devise attractive advertising campaigns in order to attract the customers. Last but not the least, the hypermarkets should encourage customers to use their online services in order to keep customers aware of their latest schemes and offers , which is ultimately bridge the biggest gap in policy dimension.
- Another added value service would be Improvements in the ambience of the outlet, better shelves and space management, clear electronic sigh posts, clean walkways and aisles, lighting, promotional islands, etc. should improve overall shopping experience for customers.

5.3 LIMITATIONS

Customer expectations and Customer Perceptions are subjective and dynamic in nature leading to change. The findings therefore can be generalized to a given period, a pre-defined market, and economic scenarios. A longitudinal study could probably overcome this limitation. The study also is confined to the Kenyan scenario and with Nairobi as the focal point. Geo-demographic could have a great deal of influence on the customer expectations and perceptions. It is also not amiss to mention here that the zone of tolerance could vary from one customer to another. This variation has not been assessed in the current study. The study also confines itself to three hypermarkets and does not cover various other formats that exist in the retail sector.

- However, the above limitations were not that significant compared to the importance of carrying out this type of study. Such a study should be carried out frequently in

order to monitor service quality and find out satisfaction levels of customers and hence make necessary adjustments in case of any weaknesses or strengths.

5.4 IMPLICATIONS

From this study the findings show that the RSQS model is an effective tool to measure service quality in hypermarkets because all the dimensions proved reliable for measurement. The service quality instrument can be used by the managers for periodic monitoring of service quality as perceived by the customers.

The study also provides directions to the three hypermarkets as to which particular dimensions require attention in terms of their importance.Further, the study helps the hypermarket and other retail service providers to identify quality gaps in the retail industry and thereby helps them in devising strategies, so as to uproot these.

- This study is very useful for other retail organizations that are eyeing the Kenyan market and also for those domestic ones that need to expand their operations in Kenya.
- Findings also show that consumers expected more than what they perceive in these stores and hence no satisfaction and this therefore means hypermarkets must strive hard to improve all the dimensions of service quality in order to bring higher perceived service quality and customer satisfaction

5.5 SUGGESTIONS FOR FURTHER RESEARCH

- Further research should be carried out in order to enhance the understanding of the concepts of service quality and customer satisfaction, how they are measured because they are very important for service organizations in terms of profitability and growth. A similar study could be conducted **both geographically and sample-wise to allow for generalization of the findings to a greater extent**.
- This study can be carried out in other areas comprised of multiple cultures in order to find out the applicability of the RSQS model in hypermarkets. Further studies could be carried out on service quality of hypermarkets in other neighboring countries for companies to assess consumers' service quality perceptions of hypermarkets with similar sizes which could further help them in their entry strategy.

ANNEXURE

QUESTIONNAIRE

I , as a Phd scholar, is carrying out a survey about retail stores(supermarkets) and their performance in terms of service quality.

In order to complete the survey, please provide us with some information about yourself .Keep in mind that these questions are asked for statistical purposes only. Yourprivacy is assured.

Kindly fill in the questionnaire below to help us with our survey: Name:

1. **Please indicate what your present occupation is.**
   - Business & Professional
   - Student
   - Public servant
   - Retired
   - Salaried & semi-professional
   - Housewife
   - Skilled worker - Labourer
   - Unemployed

2. **Tick you gender category?**
   - **Male Female**

3. **Please indicate the highest level of education you have completed.**
   - Under graduate
   - Graduate
   - Post graduate

4. **Please indicate your marital status.**
   a) married
   b) Single
   c) Children

5.**Which supermarket do you often shop at?**

- ☐ Nakumat
- ☐ Tusky's
- ☐ Uchumi
- ☐ others
- ☐

6.**What age category do you fall into?**

- Between 20 and 30
- Between 30 and 40

- 40 and above

7. How regularly do you shop at your chosen supermarket?

☐ Once a Week

☐ Once a Fortnight

☐ Once a Month

Almost E☐ryday

8 **How much do you spend on shopping every month?**

- Below 5000
- 5000-10000
- 10,000-20,000
- 20,000-30,000
- Above 30,000

Q9. How do you rate the factors(physical aspects) of these stores on a scale of 1-.

	Nakumatt	uchumi	Tuskys	Others
1. This store has modern-looking equipment .and fixtures				
2. The physical facilities at this store are visually appealing				
3. Materials associated with this store's service (such asshopping bags, catalogs, or statements) are attractive				
4. This store has clean, attractive, and convenient publicareas (restrooms, fitting rooms)				
5. The store layout at this store makes it easy for customers to find what they need and move around in the store				

Q10. How do you rate the reliability factors of these stores on a scale of 1-5.

	Nakumatt	uchumi	Tuskys	others
6.This store provides its services at the time it promises to do so				
7: This store has merchandise available when the customers want it				

8.When this store promises to do something by a certain time, it will do so				
9.This store insists on error-free sales transactions andrecord				

Q11. Please rate the Personal Interaction of employees with customers on a scale of 1-5.

	Nakumatt	Uchumi	Tuskys	others
10.Employee in this store have the knowledge to answer customers' queries				
11.The behaviour of employees in this store instill confidence in customers				
:12. Customers feel safe in their transactions with thisstore				
13.Employees in this store give prompt service to customers				
14.Employees in this store are never too busy to respond to customer's requests				
15.This store gives customers individual attention				
16.Employees in this store are consistently courteous with customers				

Q12. Kindly rate the problem solving abilities of these stores on a scale of 1-5.

	Nakumatt	Uchumi	tuskys	others
17.When a customer has a problem, this store shows a sincere interest in solving it				
:18. Employees of this store are able to handle customer complaints directly and immediately				

Q13. Please rate the IndividualManagement Policy of these stores on a scale of 1-5.

	Nakumatt	Uchumi	Tuskys	others
19.This store offers high quality merchandise				
20.This store provides plenty of convenient parking forcustomers				
21.This store has operating hours convenient to all their customers				
22.This store accepts most major credit cards				
23.This store willingly handles returns and exchanges				
24.The store offer customer loyalty cards to its customers				
25.Does the store offer online shopping services				
26.Which is the supermarket which offers the most prompt service online?				
28.Which store offers different modes of payment for your shopping ?				
29.In terms of advertising campaigns, which supermarket catches your attention the most?				

14. **How do you rank the prices of the commodities compared to other supermarkets?(please tick)**

	High	Reasonable	low
Nakumatt			
Uchumi			
Tuskys			
others			

15**.What do you suggest to the supermarket to combat competition and improve their customer service?**

16.Please indicate your overall level of satisfaction with your purchases in your preferred supermarket

	Very UnSatisfied	Unsatisfied	Neutral	satisfied	Very satisfied
Nakumatt					
Uchumi					
Tuskys					
others					

17.Based on your shopping experience how likely are you to recommend your regular supermarket to your friends and relatives as a good place to *shop?* *(SINGLE CODE)*

Very unlikely	Unlikely	Neither Likely/unlikely	likely	Very likely

End of Questionnaire
Thank you very much for your co-operation